

FIFTY-FIFTH DAY - APRIL 10, 2002**LEGISLATIVE JOURNAL****NINETY-SEVENTH LEGISLATURE
SECOND SESSION****FIFTY-FIFTH DAY**

Legislative Chamber, Lincoln, Nebraska
Wednesday, April 10, 2002

PRAYER

The prayer was offered by Senator Coordsen.

ROLL CALL

Pursuant to adjournment, the Legislature met at 9:00 a.m., Speaker Kristensen presiding.

The roll was called and all members were present except Senators Cunningham, Dierks, Kremer, McDonald, and Robak who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the fifty-fourth day was approved.

REPORT OF THE EXECUTIVE BOARD**2002 Resolutions calling for an Interim Study**

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| LR 318 | Interim study to examine the prohibition of certain telephone solicitations
Transportation and Telecommunications |
| LR 320 | Interim study to examine methods of making state and local government more efficient and cost effective
Government, Military and Veterans Affairs |
| LR 321 | Interim study to review the growth in Medicaid expenditures
Health and Human Services |
| LR 322 | Interim study to review the expenditures of the Department of Correctional Services
Judiciary |

- LR 323 Interim study to review state funds allocated as aid to local governments
Revenue
- LR 324 Interim study to examine state aid to schools under the Tax Equity and Educational Opportunities Support Act
Education
- LR 325 Interim study to examine the concept of zero-based budgeting for Nebraska state agency appropriations
Appropriations
- LR 326 Interim study to examine how to provide legislative oversight of federal funds allocated to the state to prepare for possible acts of terrorism
Appropriations/Government, Military and Veterans Affairs/
Health and Human Services
- LR 328 Interim study to examine elimination of General Fund appropriations to the Public Service Commission
Transportation and Telecommunications
- LR 329 Interim study regarding immigration status preventing high school graduates from obtaining a college education at a public institution
Education
- LR 330 Interim study to examine the results of LB 1100, 1998, regarding public building deferred maintenance projects
Building Maintenance
- LR 331 Interim study to review state common carrier laws, rules, and regulations
Transportation and Telecommunications
- LR 332 Interim study to examine LB 396, 2001, which would enact the Advanced Practice Registered Nurse Act
Health and Human Services
- LR 333 Interim study to determine which health care fields have shortages of professionals to provide health care
Health and Human Services
- LR 334 Interim study to examine issues relating to unsolicited electronic mail
Transportation and Telecommunications
- LR 335 Interim study to examine the consolidation of government, especially consolidation of political subdivisions
Government, Military and Veterans Affairs

- LR 336 Interim study to examine implementation of a unified statewide voter registration system
Government, Military and Veterans Affairs
- LR 337 Interim study to examine implications of USDA v. United Foods, regarding state commodity programs funded through checkoff assessments
Agriculture
- LR 338 Interim study to examine mechanisms to protect financial interests of producers, livestock marketing agencies, and lenders in livestock sales transactions
Agriculture
- LR 339 Interim study to examine anticipated revenue to and expenditures from the Ethanol Production Incentive Cash Fund through termination of ethanol production incentive programs
Agriculture
- LR 340 Interim study regarding implementation of a professional licensing program relating to the wastewater treatment systems industry
Natural Resources
- LR 341 Interim study to evaluate the status of new ethanol production facilities
Revenue
- LR 342 Interim study to examine particular pesticide notification requirements for schools and other buildings where children are present
Agriculture
- LR 343 Interim study to seek solutions to barriers to the development of renewable energy
Natural Resources
- LR 344 Interim study to examine issues within the jurisdiction of the Government, Military and Veterans Affairs Committee of the Legislature
Government, Military and Veterans Affairs
- LR 345 Interim study to examine the recycling of hazardous wastes into fertilizers
Natural Resources
- LR 346 Interim study to examine issues raised by introduction of LB 399, 2001, the Outpatient Surgical Procedures Data Act
Health and Human Services

- LR 347 Interim study to examine the possibility of closing the Norfolk Regional Center
Appropriations
- LR 349 Interim study to determine a more cost-effective means to deliver rehabilitative and necessary services to individuals in the correctional system
Judiciary
- LR 350 Interim study to examine the administrative and personnel structure of the Health and Human Services System
Health and Human Services
- LR 351 Interim study to determine a process by which a minor may be emancipated
Judiciary
- LR 352 Interim study to examine changing the age of majority from nineteen to eighteen years
Health and Human Services
- LR 353 Interim study to examine the administrative license revocation process
Transportation and Telecommunications
- LR 354 Interim study to examine the authority cities and villages have to require railroads to maintain railroad crossings in good condition
Transportation and Telecommunications
- LR 355 Interim study to determine how the Dept. of Health and Human Services can improve its cost effectiveness in providing services
Health and Human Services
- LR 356 Interim study to examine the Game and Parks Commission's operations of the state park system
Natural Resources
- LR 357 Interim study to examine the federal Clean Water Act as it relates to the State of Nebraska
Natural Resources
- LR 358 Interim study to examine problems associated with disposal of used electronic equipment
Natural Resources
- LR 359 Interim study to conduct a review of the scrap tire program
Natural Resources
- LR 360 Interim study to conduct a review of environmental recycling

and waste reduction grant programs
Natural Resources

- LR 361 Interim study to determine what amount of funding is needed to fully fund anticipated claims under the Nebraska Crime Victim's Reparations Act
Judiciary
- LR 362 Interim study of the collective bargaining process for all public employees of the State of Nebraska
Business and Labor
- LR 363 Interim study to examine the issue of the enticement of children through the Internet
Judiciary
- LR 364 Interim study to examine Nebraska's contractor registration law
Business and Labor
- LR 365 Interim study to examine the County Juvenile Services Aid Program and the Juvenile Services Grant Funds
Judiciary
- LR 366 Interim study to determine whether Nebraska should update laws which provide for the creation and perfection by filing of agricultural statutory liens
Banking, Commerce and Insurance
- LR 367 Interim study to determine whether Nebraska should enact the Uniform Trust Code
Banking, Commerce and Insurance
- LR 368 Interim study to examine laws with respect to driving under the influence repeat offenders
Transportation and Telecommunications
- LR 369 Interim study to examine the organizational structure and wording of Nebraska's driving under the influence law
Transportation and Telecommunications
- LR 370 Interim study to identify issues relating to the operation of child advocacy centers
Health and Human Services
- LR 371 Interim study to clarify who is eligible to run for positions on the boards of educational service units comprising more than one county
Education

- LR 372 Interim study to review the taxation procedures of the Nebraska telecommunications industry
Revenue
- LR 373 Interim study to develop legislation to reduce air emissions from power plants
Natural Resources
- LR 374 Interim study to examine Nebraska's statutory protections of consumers when they make automobile purchases
Transportation and Telecommunications
- LR 375 Interim study to review the fee structure of the Nebraska court system
Judiciary
- LR 376 Interim study to examine sheriff's fees
Judiciary
- LR 377 Interim study of classified and non-classified employees in the State Personnel System
Government, Military and Veterans Affairs
- LR 378 Interim study to determine which penalties most effectively deter underage consumption of alcoholic liquor
General Affairs
- LR 379 Interim study of the statutes relating to notaries public
Judiciary
- LR 380 Interim study to examine issues raised by introduction of bills relating to the County Purchasing Act
Government, Military and Veterans Affairs
- LR 381 Interim study to review services provided by the two divisions within the Protection and Safety System
Judiciary
- LR 382 Interim study to examine the process used by the health and human services system to designate children as not eligible for Title IV-E federal funds
Health and Human Services
- LR 383 Interim study to examine different types of deferred retirement option plans
Nebraska Retirement Systems
- LR 384 Interim study to examine the federal Safe Drinking Water Act as it relates to the State of Nebraska
Natural Resources

- LR 385 Interim study to review implications of revising the state's income tax
Revenue
- LR 387 Interim study to examine impacts of market concentration on processing, retail, and farm input sectors of the food system on production agriculture
Agriculture
- LR 388 Interim study to examine vulnerability of production agriculture and food systems in Nebraska to acts of sabotage and economic disruption
Agriculture
- LR 389 Interim study to examine the feasibility of implementing a means of informing consumers of the country of origin of meat products at the retail level
Agriculture
- LR 390 Interim study to examine the feasibility of implementing the recommendations of the Carbon Sequestration Advisory Committee
Agriculture
- LR 391 Interim study to consider benefits and procedures of accrediting educational service units
Education
- LR 392 Interim study to examine the review and analysis of the Nebraska Juvenile Code
Judiciary
- LR 393 Interim study to conduct a review of community corrections in Nebraska
Judiciary
- LR 394 Interim study of the formula needs component of the state aid formula
Education
- LR 395 Interim study to review the statutory provisions pertaining to the operation of the Nebraska Investment Council
Nebraska Retirement Systems
- LR 396 Interim study to examine the issue of controlled substances relating to methamphetamine problems
Judiciary
- LR 397 Interim study to determine what can be done to strengthen

current lien statutes
Banking, Commerce and Insurance

- LR 398 Interim study of statutes regarding the awarding of prejudgment and postjudgment interest and attorney's fees in certain civil cases
Judiciary
- LR 399 Interim study to examine issues relating to private contracting for personal services
Government, Military and Veterans Affairs
- LR 400 Interim study to determine whether changes recommended by the Supreme Court to the child support guidelines warrant legislative response
Judiciary
- LR 401 Interim study to examine long-term landfill closure monitoring and remediation expenses
Natural Resources
- LR 402 Interim study to continue review of the areas of parole and correctional population management and staffing
Judiciary
- LR 403 Interim study to continue work by the Revenue Committee to inform the Legislature and others of Nebraska's tax structure compared with the past and with other states
Revenue
- LR 404 Interim study to examine the utility of the special value that may be assigned to land in agricultural and horticultural use that has value for other purposes
Revenue
- LR 405 Interim study to monitor administration and progress of the Uniform Sales and Use Tax Administration Act
Revenue
- LR 406 Interim study to examine historical evidence of the effectiveness of the Employment and Investment Growth Act
Revenue
- LR 407 Interim study to examine laws relating to the usage of In Transit decals on motor vehicles
Transportation and Telecommunications
- LR 408 Interim study to examine the investment advisors utilized by the Nebraska Investment Council
Nebraska Retirement Systems

- LR 409 Interim study to examine denial of coverage by insurance providers for treatment of certain reproductive diseases
Banking, Commerce and Insurance
- LR 410 Interim study to conduct research and develop recommendations relating to Medicaid
Health and Human Services/Appropriations
- LR 411 Interim study to examine health and human services issues
Health and Human Services
- LR 412 Interim study to examine issues raised by LB 1185, 2002, relating to the agriculture exemption within the Nebraska Workers' Compensation Act
Business and Labor
- LR 413 Interim study to examine whether the guest statute is fair to those injured in motor vehicle accidents
Judiciary
- LR 414 Interim study to review the current process for Dept. of Roads' projects
Transportation and Telecommunications
- LR 415 Interim study to examine issues relating to health care professionals
Health and Human Services
- LR 416 Interim study to examine issues relating to natural gas regulation
Urban Affairs
- LR 417 Interim study to compile information on programs in other states that offer tax incentives to promote the preservation of historic properties
Revenue
- LR 418 Interim study of Nebraska's employment security laws
Business and Labor
- LR 419 Interim study to examine the Workplace Safety Consultation Program administered by the Dept. of Labor
Business and Labor
- LR 420 Interim study of Nebraska's Employee Suggestion System
Government, Military and Veterans Affairs
- LR 421 Interim study to examine whether review by a panel of three judges of awards made by a judge under the Workers' Compensation Act is an efficient use of judicial resources
Business and Labor

- LR 422 Interim study of the minimum wage in Nebraska
Business and Labor
- LR 423 Interim study to examine issues relating to requiring persons
employed to coach or supervise extracurricular activities to hold
a certificate or permit to teach
Education
- LR 424 Interim study to evaluate methods to increase biofuel
consumption in Nebraska
Agriculture
- LR 425 Interim study of the potential economic impact of a credit trading
mechanism under the proposed renewable fuel standard
considered by Congress
Natural Resources
- LR 426 Interim study of the funds of the Workers' Compensation Court
Business and Labor
- LR 427 Interim study of the Workers' Compensation Court's role in
oversight of the activities of self insured employers
Business and Labor
- LR 428 Interim study of the issuance and use of special designated liquor
licenses
General Affairs
- LR 429 Interim study of charitable gaming in Nebraska
General Affairs
- LR 430 Interim study of the system for tracking cemetery locations in the
state
General Affairs
- LR 431 Interim study of alcoholic liquor sales in Whiteclay, Nebraska
General Affairs
- LR 432 Interim study of the feasibility of reclassifying the liquor
licensing system
General Affairs
- LR 433 Interim study of the Nebraska Lottery and Raffle Act and the
Nebraska Small Lottery and Raffle Act
General Affairs
- LR 434 Interim study to review existing law and the need for legislation
regarding the predatory pricing of motor fuel
Natural Resources

- LR 435 Interim study of the state's sales and use tax
Revenue
- LR 436 Interim study of the law enforcement funding in counties with
tribal land and multijurisdictional law enforcement agencies
Judiciary
- LR 437 Interim study to review matters under the jurisdiction of the
Transportation and Telecommunications Committee
Transportation and Telecommunications
- LR 438 Interim study of the impact to the state and the motoring public
from tire debris on Nebraska's highways
Transportation and Telecommunications
- LR 439 Interim study of issues surrounding the safety and fitness of
holders of commercial driver's licenses when a licenseholder has
a change in medical health
Transportation and Telecommunications
- LR 440 Interim study of environmental effects and other issues relating
to the Livestock Waste Management Act
Natural Resources
- LR 441 Interim study of effects to the state of expanding the brand
inspection area
Agriculture
- LR 442 Interim study of the Uniform Mediation Act
Judiciary
- LR 443 Interim study of the requirements for emergency medical
technician certification
Health and Human Services
- LR 444 Interim study of issues relating to the structure of local municipal
government
Urban Affairs
- LR 445 Interim study of economic development programs that operate
by providing sales or income tax credits
Revenue
- LR 446 Interim study to examine issues raised by the introduction of LB
811, 2001, relating to amending the state building code
Urban Affairs
- LR 447 Interim study of issues relating to the local lodging tax
Government, Military and Veterans Affairs

- LR 448 Interim study of issues relating to taxation of real property owned by political subdivisions but devoted to other than public purposes
Revenue
- LR 449 Interim study to review matters under the jurisdiction of the Urban Affairs Committee
Urban Affairs
- LR 450 Interim study to review the impact of both levy lids and budget lids for cities experiencing increased population growth
Revenue
- LR 451 Interim study of the Kids Connection medical assistance program
Task Force
- LR 452 Interim study to determine whether an alternative method under the Administrative Procedures Act is warranted for bringing forth a claim
Government, Military and Veterans Affairs
- LR 453 Interim study to investigate the need for reorganization and recodification of the motor vehicle titling and registration laws
Transportation and Telecommunications
- LR 455 Interim study to examine state policies relating to education and career preparation programs
Education
- LR 456 Interim study of the feasibility of reducing General Fund appropriations to the Public Service Commission and assess costs of administering the regulatory functions
Transportation and Telecommunications

(Signed) George Coorsen, Chairperson
Legislative Council
Executive Board

RESOLUTION

Pursuant to Rule 4, Sec. 5(b), LR 454 was adopted.

SPEAKER SIGNED

While the Legislature was in session and capable of transacting business, the Speaker signed the following: LRs 386 and 454.

MOTIONS - Approve Appointments

Senator Jensen moved the adoption of the report of the Health and Human Services Committee for the following appointments found on page 1369: Commission for the Blind and Visually Impaired - Nichelle Ferreyra and Dorothy Westin-Yockey; Foster Care Review Board - Debra K. Starr.

Senator Jensen requested a division of the question on the confirmation report.

The Chair sustained the division of the question.

The first division is as follows:

Senator Jensen moved the adoption of the report of the Health and Human Services Committee for the following appointments found on page 1369: Commission for the Blind and Visually Impaired - Nichelle Ferreyra and Dorothy Westin-Yockey.

Voting in the affirmative, 36:

Aguilar	Coordsen	Jones	Quandahl	Thompson
Baker	Engel	Kristensen	Raikes	Tyson
Bourne	Erdman	Kruse	Redfield	Vrtiska
Brashear	Foley	Landis	Schimek	Wehrbein
Bromm	Hartnett	Pedersen, Dw.	Schrock	
Brown	Hudkins	Pederson, D.	Smith	
Burling	Janssen	Preister	Suttle	
Byars	Jensen	Price	Synowiecki	

Voting in the negative, 0.

Present and not voting, 8:

Beutler	Chambers	Cudaback	Stuhr
Bruning	Connealy	Maxwell	Wickersham

Excused and not voting, 5:

Cunningham	Dierks	Kremer	McDonald	Robak
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The appointments were confirmed with 36 ayes, 0 nays, 8 present and not voting, and 5 excused and not voting.

The second division is as follows:

Senator Jensen moved the adoption of the report of the Health and Human Services Committee for the following appointment found on page 1369: Foster Care Review Board - Debra K. Starr.

Voting in the affirmative, 35:

Aguilar	Chambers	Foley	Kruse	Raikes
Baker	Connealy	Hartnett	Landis	Redfield
Beutler	Coordsen	Hudkins	Maxwell	Schimek
Bourne	Cudaback	Janssen	McDonald	Stuhr
Bromm	Dierks	Jensen	Pedersen, Dw.	Tyson
Bruning	Engel	Jones	Preister	Vrtiska
Burling	Erdman	Kristensen	Price	Wickersham

Voting in the negative, 0.

Present and not voting, 13:

Brashear	Kremer	Robak	Suttle	Wehrbein
Brown	Pederson, D.	Schrock	Synowiecki	
Byars	Quandahl	Smith	Thompson	

Excused and not voting, 1:

Cunningham

The appointment was confirmed with 35 ayes, 0 nays, 13 present and not voting, and 1 excused and not voting.

Senator Janssen moved the adoption of the report of the General Affairs Committee for the following appointment found on page 1562: State Electrical Board - Bill Whitmer.

Voting in the affirmative, 34:

Aguilar	Chambers	Hudkins	Maxwell	Redfield
Baker	Connealy	Janssen	McDonald	Smith
Bourne	Coordsen	Jensen	Pedersen, Dw.	Synowiecki
Bromm	Dierks	Jones	Pederson, D.	Tyson
Bruning	Erdman	Kristensen	Price	Vrtiska
Burling	Foley	Kruse	Quandahl	Wickersham
Byars	Hartnett	Landis	Raikes	

Voting in the negative, 0.

Present and not voting, 15:

Beutler	Cudaback	Kremer	Schimek	Suttle
Brashear	Cunningham	Preister	Schrock	Thompson
Brown	Engel	Robak	Stuhr	Wehrbein

The appointment was confirmed with 34 ayes, 0 nays, and 15 present and not voting.

SELECT FILE

LEGISLATIVE BILL 1003A. Advanced to E & R for engrossment.

SENATOR COORDSEN PRESIDING**BILLS ON FINAL READING**

The following bill was read and put upon final passage:

LEGISLATIVE BILL 947.

A BILL FOR AN ACT relating to revenue and taxation; to amend section 77-27,147, Reissue Revised Statutes of Nebraska, sections 13-326 and 77-2702.07, Revised Statutes Supplement, 2000, and section 77-2701, Revised Statutes Supplement, 2001; to change provisions relating to the taxation of mobile telecommunications service; to harmonize provisions; and to repeal the original sections.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass?' "

Voting in the affirmative, 49:

Aguilar	Chambers	Hudkins	Pedersen, Dw.	Smith
Baker	Connealy	Janssen	Pederson, D.	Stuhr
Beutler	Coordsen	Jensen	Preister	Suttle
Bourne	Cudaback	Jones	Price	Synowiecki
Brashear	Cunningham	Kremer	Quandahl	Thompson
Bromm	Dierks	Kristensen	Raikes	Tyson
Brown	Engel	Kruse	Redfield	Vrtiska
Bruning	Erdman	Landis	Robak	Wehrbein
Burling	Foley	Maxwell	Schimek	Wickersham
Byars	Hartnett	McDonald	Schrock	

Voting in the negative, 0.

Not voting, 0.

A constitutional majority having voted in the affirmative, the bill was declared passed and the title agreed to.

Dispense With Reading at Large

Pursuant to Rule 6, Section 8, the Legislature approved the dispensing of the reading at large of LB 898 with 44 ayes, 2 nays, and 3 present and not voting.

The following bill was put upon final passage:

LEGISLATIVE BILL 898. With Emergency.

A BILL FOR AN ACT relating to schools; to amend sections 79-1005.01, 79-1007.02, 79-1017.01, 79-1022, and 79-1031.01, Revised Statutes Supplement, 2000, and sections 77-3442, 79-1001, 79-1003, 79-1007.01, 79-1008.01, 79-1008.02, and 79-1009, Revised Statutes Supplement, 2001; to provide an exclusion to the property tax levy for certain schools; to change provisions relating to state aid to schools; to define and redefine terms; to change provisions relating to option funding as prescribed; to provide for a temporary aid adjustment factor and changes in certification of aid; to harmonize provisions; to repeal the original sections; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?' "

Voting in the affirmative, 46:

Aguilar	Chambers	Jensen	Preister	Suttle
Baker	Connealy	Jones	Price	Synowiecki
Beutler	Coordsen	Kremer	Quandahl	Thompson
Bourne	Cudaback	Kristensen	Raikes	Vrtiska
Brashear	Engel	Kruse	Redfield	Wehrbein
Bromm	Erdman	Landis	Robak	Wickersham
Brown	Foley	Maxwell	Schimek	
Bruning	Hartnett	McDonald	Schrock	
Burling	Hudkins	Pedersen, Dw.	Smith	
Byars	Janssen	Pederson, D.	Stuhr	

Voting in the negative, 3:

Cunningham	Dierks	Tyson
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Not voting, 0.

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

The following bill was read and put upon final passage:

LEGISLATIVE BILL 898A. With Emergency.

A BILL FOR AN ACT relating to appropriations; to amend Laws 2001, LB 543, section 44, as amended by section 49, Legislative Bill 1, Ninety-seventh Legislature, First Special Session, 2001; to appropriate funds to aid in carrying out the provisions of Legislative Bill 898,

Ninety-seventh Legislature, Second Session, 2002; to change certain appropriations as prescribed; to repeal the original section; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?' "

Voting in the affirmative, 45:

Aguilar	Chambers	Janssen	Pedersen, Dw.	Schrock
Baker	Connealy	Jensen	Pederson, D.	Smith
Beutler	Coordsen	Jones	Preister	Stuhr
Bourne	Cudaback	Kremer	Price	Suttle
Brashear	Engel	Kristensen	Quandahl	Synowiecki
Bromm	Erdman	Kruse	Raikes	Thompson
Brown	Foley	Landis	Redfield	Vrtiska
Bruning	Hartnett	Maxwell	Robak	Wehrbein
Byars	Hudkins	McDonald	Schimek	Wickersham

Voting in the negative, 3:

Cunningham Dierks Tyson

Present and not voting, 1:

Burling

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

MOTIONS - Return LB 1085 to Select File

Senator Wickersham moved to return LB 1085 to Select File for the following specific amendment:

FA1075

Strike the enacting clause.

Senator Wickersham withdrew his motion to return.

Senator Quandahl moved to return LB 1085 to Select File for the following specific amendment:

AM3656

(Amendments to Final Reading copy)

- 1 1. Strike sections 3 to 16, 22, 24, and 25 of this act
- 2 and insert the following new sections:
- 3 "Sec. 8. Sections 2 to 5, 8, 9, and 11 of this act
- 4 become operative on their effective date. The other sections of
- 5 this act become operative on October 1, 2002.

- 6 Sec. 10. Original sections 77-4008 and 77-4025, Reissue
7 Revised Statutes of Nebraska, and section 77-2602, Revised Statutes
8 Supplement, 2001, are repealed."
9 2. Strike beginning with page 1, line 2, through page 2,
10 line 3, and insert "77-4008 and 77-4025, Reissue Revised Statutes
11 of Nebraska, sections 77-2701.02, 77-2715.02, and 77-2716, Revised
12 Statutes Supplement, 2000, and sections 77-2602 and 77-3442,
13 Revised Statutes Supplement, 2001; to change tax provisions for
14 cigarettes and tobacco products; to change sales and income tax
15 rates; to provide an adjustment to federal adjusted gross income;
16 to provide an exclusion to the property tax levy for certain
17 schools; to harmonize provisions; to provide operative dates; to
18 repeal the original sections; and to declare an emergency."
19 3. Renumber the remaining sections and correct internal
20 references accordingly.

Senator Beutler moved the previous question. The question is, "Shall the debate now close?" The motion prevailed with 32 ayes, 1 nay, and 16 not voting.

The Quandahl motion to return failed with 14 ayes, 25 nays, and 10 present and not voting.

Senator Wickersham moved to return LB 1085 to Select File for the following specific amendment:

FA1076

Strike Sections 1 and 21.

Senator Wickersham withdrew his motion to return.

SPEAKER KRISTENSEN PRESIDING

BILLS ON FINAL READING

Dispense With Reading at Large

Pursuant to Rule 6, Section 8, the Legislature approved the dispensing of the reading at large of LB 1085 with 37 ayes, 3 nays, and 9 present and not voting.

The following bill was put upon final passage:

LEGISLATIVE BILL 1085. With Emergency.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-2702.09, 77-2702.11, 77-2702.16, 77-2702.17, 77-2704.11, 77-2704.26, 77-2704.27, 77-2704.30, 77-4008, and 77-4025, Reissue Revised Statutes of Nebraska, sections 77-2701.02, 77-2702.07, 77-2702.13, 77-2702.14, 77-2702.15, 77-2703, 77-2715.02, and 77-2716, Revised Statutes

Supplement, 2000, and sections 77-2602, 77-2704.31, and 77-3442, Revised Statutes Supplement, 2001; to change tax provisions for cigarettes and tobacco products; to subject services to sales tax as prescribed; to provide and eliminate certain sales tax exemptions; to change sales and income tax rates; to provide an adjustment to federal adjusted gross income; to provide an exclusion to the property tax levy for certain schools; to harmonize provisions; to provide operative dates; to repeal the original sections; to outright repeal section 77-2704.22, Reissue Revised Statutes of Nebraska; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?' "

Voting in the affirmative, 30:

Beutler	Connealy	Janssen	Landis	Schimek
Bourne	Coordsen	Jensen	McDonald	Schrock
Brashear	Cudaback	Jones	Pedersen, Dw.	Stuhr
Bromm	Engel	Kremer	Pederson, D.	Vrtiska
Burling	Hartnett	Kristensen	Price	Wehrbein
Byars	Hudkins	Kruse	Raikes	Wickersham

Voting in the negative, 17:

Aguilar	Cunningham	Maxwell	Smith	Tyson
Baker	Dierks	Quandahl	Suttle	
Brown	Erdman	Redfield	Synowiecki	
Bruning	Foley	Robak	Thompson	

Present and not voting, 2:

Chambers Preister

Having failed to receive a constitutional two-thirds majority voting in the affirmative, the bill failed to pass with the emergency clause attached. The question is, "Shall the bill pass with the emergency clause stricken?"

Voting in the affirmative, 29:

Beutler	Coordsen	Jensen	McDonald	Schrock
Bourne	Cudaback	Jones	Pedersen, Dw.	Stuhr
Brashear	Engel	Kremer	Pederson, D.	Vrtiska
Bromm	Hartnett	Kristensen	Price	Wehrbein
Byars	Hudkins	Kruse	Raikes	Wickersham
Connealy	Janssen	Landis	Schimek	

Voting in the negative, 19:

Aguilar	Chambers	Foley	Redfield	Synowiecki
Baker	Cunningham	Maxwell	Robak	Thompson
Brown	Dierks	Preister	Smith	Tyson
Bruning	Erdman	Quandahl	Suttle	

Present and not voting, 1:

Burling

A constitutional majority having voted in the affirmative, the bill was declared passed with the emergency clause stricken.

The following bill was read and put upon final passage:

LEGISLATIVE BILL 1085A. With Emergency.

A BILL FOR AN ACT relating to appropriations; to appropriate funds to aid in carrying out the provisions of Legislative Bill 1085, Ninety-seventh Legislature, Second Session, 2002; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?' "

Voting in the affirmative, 28:

Beutler	Coordsen	Jensen	McDonald	Schrock
Brashear	Cudaback	Jones	Pedersen, Dw.	Stuhr
Bromm	Engel	Kremer	Pederson, D.	Vrtiska
Burling	Hartnett	Kristensen	Price	Wehrbein
Byars	Hudkins	Kruse	Raikes	
Connealy	Janssen	Landis	Schimek	

Voting in the negative, 18:

Aguilar	Cunningham	Maxwell	Robak	Thompson
Baker	Dierks	Preister	Smith	Tyson
Brown	Erdman	Quandahl	Suttle	
Bruning	Foley	Redfield	Synowiecki	

Present and not voting, 3:

Bourne	Chambers	Wickersham
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Having failed to receive a constitutional two-thirds majority voting in the affirmative, the bill failed to pass with the emergency clause attached.

MOTION - Reconsider Action on LB 1085A

Senator Wickersham moved to reconsider the vote on final passage of LB 1085A with the emergency clause attached.

The Wickersham motion to reconsider prevailed with 38 ayes, 2 nays, and 9 present and not voting.

BILL ON FINAL READING

The following bill was put upon final passage:

LEGISLATIVE BILL 1085A. With Emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?' "

Voting in the affirmative, 34:

Beutler	Byars	Hudkins	Landis	Schimek
Bourne	Chambers	Janssen	McDonald	Smith
Brashear	Connealy	Jensen	Pedersen, Dw.	Stuhr
Bromm	Coordsen	Jones	Pederson, D.	Vrtiska
Brown	Cudaback	Kremer	Price	Wehrbein
Bruning	Engel	Kristensen	Raikes	Wickersham
Burling	Hartnett	Kruse	Redfield	

Voting in the negative, 6:

Aguilar	Erdman	Thompson
Dierks	Robak	Tyson

Present and not voting, 9:

Baker	Foley	Preister	Schrock	Synowiecki
Cunningham	Maxwell	Quandahl	Suttle	

A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

SPEAKER SIGNED

While the Legislature was in session and capable of transacting business, the Speaker signed the following: LBs 947, 898, and 898A.

BILL ON FINAL READING

The following bill was read and put upon final passage:

LEGISLATIVE BILL 1040. With Emergency.

A BILL FOR AN ACT relating to claims against the state; to appropriate funds for the payment of certain claims; to provide for payment of the claims; to authorize certain write-offs as prescribed; and to declare an emergency.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the bill pass with the emergency clause attached?' "

Voting in the affirmative, 45:

Aguilar	Chambers	Hartnett	Maxwell	Schimek
Baker	Connealy	Hudkins	McDonald	Schrock
Bourne	Coordsen	Janssen	Pedersen, Dw.	Smith
Brashear	Cudaback	Jensen	Pederson, D.	Stuhr
Bromm	Cunningham	Jones	Preister	Suttle
Brown	Dierks	Kremer	Price	Synowiecki
Bruning	Engel	Kristensen	Raikes	Thompson
Burling	Erdman	Kruse	Redfield	Tyson
Byars	Foley	Landis	Robak	Vrtiska

Voting in the negative, 0.

Present and not voting, 4:

Beutler	Quandahl	Wehrbein	Wickersham
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A constitutional two-thirds majority having voted in the affirmative, the bill was declared passed with the emergency clause and the title agreed to.

SELECT COMMITTEE REPORT
Enrollment and Review

Correctly Enrolled

The following bill was correctly enrolled: LB 1085.

(Signed) Philip Erdman, Chairperson

SPEAKER SIGNED

While the Legislature was in session and capable of transacting business, the Speaker signed the following: LBs 1040, 1085, and 1085A.

MOTION - Return LB 1021 to Select File

Senator Jensen moved to return LB 1021 to Select File for his specific

pending amendment, AM3516, on file and referred to on page 1553.

SENATOR WICKERSHAM PRESIDING

The Jensen motion to return prevailed with 28 ayes, 0 nays, and 21 present and not voting.

SELECT FILE

LEGISLATIVE BILL 1021. The Jensen specific pending amendment, AM3516, on file and referred to on page 1553, was adopted with 31 ayes, 0 nays, and 18 present and not voting.

Advanced to E & R for engrossment.

SPEAKER KRISTENSEN PRESIDING

MOTION - Override Line-Item Vetoes on LB 1309

Senator Chambers withdrew his pending amendment, found on page 1563, to the Appropriations Committee pending motion to override the Governor's line-item vetoes on LB 1309.

Senator Wehrbein withdrew the Appropriations Committee pending motion, found on page 1559 and considered on page 1563, to override the Governor's line-item vetoes on LB 1309.

The Appropriations Committee moved to override the Governor's line-item vetoes on LB 1309 contained in the following sections:

Section 24, the Commission on Public Advocacy, Program 427, for county reimbursement for indigent defense, (LB 335A).

Section 38, the Supreme Court, Program 52 - Operations.

Section 39, the Supreme Court, Program 67 - Probation Services.

Section 52, the State Department of Education, Program 25 - Education, Administration and Support.

Section 75, Department of Health and Human Services Finance and Support, Program 348 - Medical Assistance.

Section 76, the Department of Roads, Program 305 - Assistance to Local Transit Authorities.

Section 80, the Department of Natural Resources, Program 307 - Nebraska Resources Development Fund.

Section 85, the Board of Educational Lands and Funds, Program 529 - Land Surveys.

Section 93, the Nebraska Library Commission, Program 302 - Library Development.

Section 97, the Department of Corrections, Program 750 - Jail Reimbursement Assistance.

Section 104, the Board of Trustees of the Nebraska State Colleges, Program 48 - Office of the Secretary.

Section 105, the University of Nebraska, Program 781 - University-Administration.

Section 107, the Nebraska State Historical Society, Program 648 - Nebraska State Historical Society.

Section 126, the Department of Economic Development, Program 600 - Administration.

Section 128, the Department of Economic Development, Program 618 - Tourism Promotion.

Section 140, Aid to Community Colleges, Program 152 - Property Tax Relief and Equalization.

Section 167, the Department of Health and Human Services Finance and Support, Program 424 - Developmental Disability Aid.

Section 173, the Commission for the Blind and Visually Impaired, Program 357 - Blind and Visually Impaired.

Pending.

SELECT COMMITTEE REPORT **Enrollment and Review**

Correctly Engrossed

The following bill was correctly engrossed: LB 1003A.

(Signed) Philip Erdman, Chairperson

PRESENTED TO THE GOVERNOR

Presented to the Governor on April 10, 2002, at 11:20 a.m., were the following: LBs 947, 898e, 898Ae, 1085, 1085Ae, and 1040e.

(Signed) Jamie Kruse
Clerk of the Legislature's Office

NOTICE OF COMMITTEE HEARING **Transportation and Telecommunications** Room 1113

Wednesday, April 17, 2002

8:30 AM

Greg Adams - Nebraska Information and Technology Commission

Eric Brown - Nebraska Information and Technology Commission

Trev Peterson - Nebraska Information and Technology Commission

L. Dennis Smith - Nebraska Information and Technology Commission

(Signed) Curt Bromm, Chairperson

VISITORS

Visitors to the Chamber were 25 third- and fourth-grade students and teacher from Cavett Elementary School, Lincoln; 67 students and teachers from Harvard; and 59 fourth-grade students and teachers from St. Michael School, Hastings.

RECESS

At 11:56 a.m., on a motion by Senator Beutler, the Legislature recessed until 1:30 p.m.

AFTER RECESS

The Legislature reconvened at 1:30 p.m., Speaker Kristensen presiding.

ROLL CALL

The roll was called and all members were present except Senators Chambers, Engel, Jensen, Landis, Robak, and Tyson who were excused until they arrive.

MESSAGES FROM THE GOVERNOR

April 10, 2002

Patrick J. O'Donnell
Clerk of the Legislature
State Capitol, Room 2018
Lincoln, NE 68509

Dear Mr. O'Donnell:

Engrossed Legislative Bill 947 was received in my office on April 10, 2002.

This bill was signed by me on April 10, 2002, and delivered to the Secretary of State.

Sincerely,
(Signed) Mike Johanns
Governor

April 10, 2002

Mr. President, Mr. Speaker, and
Members of the Legislature
State Capitol
Lincoln, Nebraska 68509

Dear Mr. President and Members of the Legislature:

With this letter I am returning LB 898 without my signature and with my objections. I am returning LB 898A with my signature.

I have supported the provisions in LB 898 that prescribe the manner in

which the Tax Equity and Educational Opportunities Support Act ["TEEOSA"] aid formula would be amended to implement the new level of aid to Nebraska school districts as we address our State's budget shortfall. However, as amended on Select File, the bill now authorizes school districts to exceed the maximum levy allowed by law without a vote of the people. You have now presented me with legislation I cannot support. I believe that Nebraskans are asking for greater spending restraint at all levels of government. Granting authority to a local school board to exceed the maximum levy without first requiring approval from taxpayers is inconsistent with the State's previously established requirement of allowing only the taxpayers themselves to determine such an important local funding issue.

Further, LB 898 is not required for the Legislature to implement the revised level of funding for state aid to schools under the TEEOSA aid appropriation that is contained in LB 898A. The Attorney General has determined that there are no statutes which would prevent or otherwise limit the Legislature's ability to change the amount of state aid that has previously been appropriated to schools.

For these reasons, I urge you to sustain my veto of LB 898.

Sincerely,
(Signed) Mike Johanns
Governor

April 10, 2002

Mr. President, Mr. Speaker,
and Members of the Legislature
State Capitol
Lincoln, Ne 68509

Dear Mr. President and Members of the Legislature:

I am returning LB 1085 and LB 1085A without my signature and with my objections.

LB 1085 contains a thirty cent increase in the cigarette tax and depreciation add-back provisions. I have publicly supported both of these proposals.

My objection to this legislation, however, is based upon the additional tax increases that are also a part of LB 1085. By imposing these additional tax increases, the Legislature is balancing the State's budget not by cutting state spending but, rather, by asking Nebraskans to pay more out of their pocketbooks. This economic recession has caused Nebraska businesses to lay off workers and reduce output, created uncertainties in our farm economy, and forced Nebraskans to reduce their spending on goods and

services. The decision not only to expand the sales tax base, but to increase both the income tax rate and the sales tax rate in order to sustain our current levels of state spending is something that I cannot support. I do not believe that a majority of our citizens will support the imposition of these new taxes during this difficult time.

For these reasons, I urge you to sustain my vetoes of LB 1085 and LB 1085A.

Sincerely,
(Signed) Mike Johanns
Governor

RESOLUTION

LEGISLATIVE RESOLUTION 459. Introduced by Wehrbein, 2.

WHEREAS, in accordance with section 85-1415, the Board of Trustees of the Nebraska State Colleges has submitted to the Coordinating Commission for Postsecondary Education plans to renovate and improve residence hall facilities at Wayne State College and Peru State College; and

WHEREAS, costs of renovating Neihardt Hall at Wayne State College are estimated at \$3,142,000, costs of fire and life safety improvements to other residence hall facilities at Wayne State College are estimated at \$350,000, and costs of renovating a portion of Morgan Hall at Peru State College are estimated at \$1,397,000; and

WHEREAS, such project costs are proposed to be financed with the proceeds of revenue bonds issued by the board; and

WHEREAS, pursuant to section 85-1415, the Coordinating Commission for Postsecondary Education has recommended that the Legislature approve the proposed projects; and

WHEREAS, the board has submitted its proposal of the projects to the Legislature for its consideration in accordance with sections 85-404 and 85-1415.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NINETY-SEVENTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That pursuant to sections 85-404 and 85-1415, the Legislature approves plans to renovate Neihardt Hall at Wayne State College, plans for fire and life safety improvements to other residence hall facilities at Wayne State College, and plans to renovate a portion of Morgan Hall at Peru State College at an aggregate estimated cost of \$4,889,000 to be financed with the proceeds of revenue bonds issued by the board.

2. That revenue bonds of the board may be issued in an amount sufficient to pay the costs of the projects, to pay any amounts required to pay the interest of such bonds during the period of construction, to fund any necessary reserves, and to pay the costs of the issuance of such bonds.

Laid over.

MOTIONS - Override Line-Item Vetoes on LB 1309

The Appropriations Committee renewed their pending motion, found on page 1587, to override the Governor's line-item vetoes on LB 1309 contained in the following sections:

Section 24, the Commission on Public Advocacy, Program 427, for county reimbursement for indigent defense, (LB 335A).

Section 38, the Supreme Court, Program 52 - Operations.

Section 39, the Supreme Court, Program 67 - Probation Services.

Section 52, the State Department of Education, Program 25 - Education, Administration and Support.

Section 75, Department of Health and Human Services Finance and Support, Program 348 - Medical Assistance.

Section 76, the Department of Roads, Program 305 - Assistance to Local Transit Authorities.

Section 80, the Department of Natural Resources, Program 307 - Nebraska Resources Development Fund.

Section 85, the Board of Educational Lands and Funds, Program 529 - Land Surveys.

Section 93, the Nebraska Library Commission, Program 302 - Library Development.

Section 97, the Department of Corrections, Program 750 - Jail Reimbursement Assistance.

Section 104, the Board of Trustees of the Nebraska State Colleges, Program 48 - Office of the Secretary.

Section 105, the University of Nebraska, Program 781 - University-Administration.

Section 107, the Nebraska State Historical Society, Program 648 - Nebraska State Historical Society.

Section 126, the Department of Economic Development, Program 600 - Administration.

Section 128, the Department of Economic Development, Program 618 - Tourism Promotion.

Section 140, Aid to Community Colleges, Program 152 - Property Tax Relief and Equalization.

Section 167, the Department of Health and Human Services Finance and Support, Program 424 - Developmental Disability Aid.

Section 173, the Commission for the Blind and Visually Impaired, Program 357 - Blind and Visually Impaired.

Senator Stuhr offered the following amendment to the Appropriations Committee pending motion:

FA1077

Amend MO280

Add an additional override of the Governor's line-item veto in section 147 (Rural Development Commission).

Senator Thompson moved the previous question. The question is, "Shall the debate now close?" The motion prevailed with 31 ayes, 1 nay, and 17 not voting.

Senator Stuhr moved for a call of the house. The motion prevailed with 32 ayes, 0 nays, and 17 not voting.

Senator Stuhr requested a roll call vote on her amendment.

Senator Chambers requested the roll call vote be taken in reverse order.

Voting in the affirmative, 18:

Baker	Connealy	Hudkins	McDonald	Schimek
Burling	Cunningham	Jones	Price	Stuhr
Byars	Dierks	Kremer	Raikes	
Chambers	Hartnett	Landis	Robak	

Voting in the negative, 20:

Aguilar	Bruning	Jensen	Quandahl	Synowiecki
Beutler	Coordsen	Maxwell	Redfield	Thompson
Bourne	Erdman	Pedersen, Dw.	Smith	Tyson
Brown	Foley	Pederson, D.	Suttle	Wehrbein

Present and not voting, 11:

Brashear	Engel	Kruse	Vrtiska
Bromm	Janssen	Preister	Wickersham
Cudaback	Kristensen	Schrock	

The Stuhr amendment lost with 18 ayes, 20 nays, and 11 present and not voting.

The Chair declared the call raised.

Senator Connealy offered the following amendment to the Appropriations Committee pending amendment:

FA1078

To amend MO280

To strike from the motion the override of section 76, Dept. of Roads, Transit Authority Aid; and to strike the override of section 107, Nebraska State Historical Society, and

(2) to add an additional override of the Governor's line-item veto in section 127, Dept. of Economic Development, Microenterprise Loan Program.

Senator Connealy moved for a call of the house. The motion prevailed with 28 ayes, 0 nays, and 21 not voting.

The Connealy amendment lost with 15 ayes, 23 nays, and 11 present and not voting.

The Appropriations Committee pending motion, found on page 1587 and considered on page 1592, to override the Governor's line-item veto, was renewed.

Whereupon the President stated: "The question shall be, 'Shall those portions of the bill pass notwithstanding the line-item objections of the Governor?' "

Voting in the affirmative, 30:

Aguilar	Byars	Janssen	Maxwell	Schrock
Beutler	Chambers	Jensen	Pedersen, Dw.	Stuhr
Bourne	Cudaback	Kremer	Pederson, D.	Thompson
Brashear	Engel	Kristensen	Price	Vrtiska
Bromm	Foley	Kruse	Raikes	Wehrbein
Brown	Hartnett	Landis	Robak	Wickersham

Voting in the negative, 15:

Baker	Connealy	Dierks	Preister	Suttle
Bruning	Coordsen	Erdman	Redfield	Synowiecki
Burling	Cunningham	Jones	Smith	Tyson

Present and not voting, 4:

Hudkins	McDonald	Quandahl	Schimek
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Having received a constitutional three-fifths majority voting in the affirmative, those portions of the bill passed notwithstanding the line-item objections of the Governor.

The Chair declared the call raised.

Senator Jones moved to override the Governor's line-item veto contained in Section 57 for Program 104-County Property Tax Relief Fund.

Whereupon the President stated: "The question shall be, 'Shall that portion of the bill pass notwithstanding the line-item objections of the Governor?' "

Voting in the affirmative, 8:

Burling	Hudkins	Kremer	Schimek
Dierks	Jones	McDonald	Stuhr

Voting in the negative, 18:

Aguilar	Bruning	Landis	Quandahl	Thompson
Beutler	Byars	Pedersen, Dw.	Redfield	Wehrbein
Bourne	Cudaback	Preister	Schrock	
Brown	Foley	Price	Smith	

Present and not voting, 23:

Baker	Coordsen	Janssen	Pederson, D.	Tyson
Brashear	Cunningham	Jensen	Raikes	Vrtiska
Bromm	Engel	Kristensen	Robak	Wickersham
Chambers	Erdman	Kruse	Suttle	
Connealy	Hartnett	Maxwell	Synowiecki	

Having failed to receive a constitutional three-fifths majority voting in the affirmative, that portion of the bill failed to pass notwithstanding the line-item objections of the Governor.

SENATOR CUDABACK PRESIDING

Senator Burling moved to override the Governor's General Fund line-item veto contained in Section 96 of LB 1309, FY2002-03 only.

Senator Burling moved for a call of the house. The motion prevailed with 26 ayes, 0 nays, and 23 not voting.

Senator Burling requested a roll call vote, in reverse order, on his motion to override.

Whereupon the President stated: "The question shall be, 'Shall that portion of the bill pass notwithstanding the line-item objections of the Governor?' "

Voting in the affirmative, 17:

Aguilar	Connealy	Kristensen	Price	Wickersham
Brashear	Hartnett	Landis	Schimek	
Burling	Jones	McDonald	Schrock	
Chambers	Kremer	Pedersen, Dw.	Stuhr	

Voting in the negative, 17:

Baker	Bruning	Pederson, D.	Smith	Wehrbein
Beutler	Coordsen	Raikes	Suttle	
Bourne	Cunningham	Redfield	Synowiecki	
Brown	Erdman	Robak	Thompson	

Present and not voting, 15:

Bromm	Dierks	Hudkins	Kruse	Quandahl
Byars	Engel	Janssen	Maxwell	Tyson

Cudaback Foley Jensen Preister Vrtiska

Having failed to receive a constitutional three-fifths majority voting in the affirmative, that portion of the bill failed to pass notwithstanding the line-item objections of the Governor.

The Chair declared the call raised.

Senator Schimek moved to override the following line-item vetoes of LB 1309: Section 48, 49, 50 and 57.

Whereupon the President stated: "The question shall be, 'Shall those portions of the bill pass notwithstanding the line-item objections of the Governor?' "

Voting in the affirmative, 9:

Hudkins	Jones	McDonald	Robak	Wickersham
Janssen	Kremer	Price	Schimek	

Voting in the negative, 21:

Aguilar	Chambers	Landis	Smith	Wehrbein
Baker	Connealy	Maxwell	Suttle	
Bourne	Dierks	Quandahl	Synowiecki	
Brashear	Erdman	Raikes	Thompson	
Bruning	Jensen	Redfield	Tyson	

Present and not voting, 19:

Beutler	Byars	Engel	Kruse	Schrock
Bromm	Coordsen	Foley	Pedersen, Dw.	Stuhr
Brown	Cudaback	Hartnett	Pederson, D.	Vrtiska
Burling	Cunningham	Kristensen	Preister	

Having failed to receive a constitutional three-fifths majority voting in the affirmative, those portions of the bill failed to pass notwithstanding the line-item objections of the Governor.

AMENDMENT - Print in Journal

Senators Wickersham, Brashear, and Kristensen filed the following amendment to LB 989:
AM3653

(Amendments to E & R amendments, AM7226)

- 1 1. Insert the following new sections:
- 2 "Sec. 3. Section 50-304, Revised Statutes Supplement,
- 3 2001, is amended to read:
- 4 50-304. (1) The Nebraska Futures Center Board may:

- 5 (a) Use studies, surveys, plans, data, and other
6 materials in the possession of any state agency. Upon request by
7 the board, a state agency or division shall make nonconfidential
8 materials available to the board;
- 9 (b) Conduct public hearings in furtherance of its general
10 purposes at places designated by the board, at which it may request
11 the appearance of officials of any state agency or division and
12 solicit the testimony of interested groups and the general public;
- 13 (c) Establish advisory committees to assist in
14 implementing the requirements of sections 50-301 to 50-309 and
15 section 5 of this act;
- 16 (d) With the approval of the Executive Board of the
17 Legislative Council, enter into contracts and agreements necessary
18 for the administration of sections 50-301 to 50-309 and section 5
19 of this act with any person as defined in section 49-801,
20 postsecondary educational institution, state or federal agency, or
21 entity, including agreements to provide staff on a time-limited
22 basis for specific projects;
- 23 (e) Solicit and accept grants, gifts, or other money from
1 any unit of federal, state, or local government or any other
2 person; and
- 3 (f) Exercise any other authority or powers as granted
4 from time to time by the Executive Board of the Legislative
5 Council.
- 6 (2) At the request of the Nebraska Futures Center Board,
7 officials or personnel of any state agency or division, as well as
8 any other individual, may serve on advisory committees created by
9 the board.
- 10 (3) Members of the board shall receive no compensation as
11 members of the board or for attendance at meetings. Members of the
12 board shall be reimbursed for their actual and necessary expenses
13 as provided in sections 81-1174 to 81-1177.
- 14 Sec. 4. Section 50-306, Revised Statutes Supplement,
15 2001, is amended to read:
- 16 50-306. The Nebraska Futures Center with the direction
17 of the Nebraska Futures Center Board shall:
- 18 (1) Establish a statewide scanning program to review
19 information sources and identify emerging issues for the state and
20 regularly provide the program's findings to the legislative and
21 executive branches;
- 22 (2) Prepare biennially a report on trends in the state
23 and the long-term implications of those trends. As part of the
24 report, the center shall sponsor a public forum to review the
25 findings of the trends report and obtain reactions from executive
26 branch agencies, legislative committees, postsecondary educational
27 institutions, private sector representatives, and the public. The
1 center shall include in the report a record of the trends,
2 long-term implications, and reactions, to be completed by July 15
3 of even-numbered years, and presented to the Legislature, to the

4 Governor, and to the public. The biennial trends report shall be
5 given affirmative consideration by the agencies and divisions of
6 state government when those agencies and divisions are determining
7 budget priorities;

8 (3) Identify long-term issues significant to the state by
9 using a methodology involving a broad spectrum of citizens and
10 establish annual work plans focusing on the priority issues
11 approved by the board. Studies shall include the potential
12 long-term effects of current trends and policies and shall identify
13 future policy options;

14 (4) Periodically prepare a report on alternative futures
15 facing the state for a five-year or ten-year period or for a period
16 deemed appropriate by the board;

17 (5) Advise the Legislature and the Governor of potential
18 long-term effects of government policies;

19 (6) Develop an information process to inform the public
20 continually on long-term issues, critical trends, and alternative
21 futures;

22 (7) Develop a data base for trend identification;

23 (8) Serve as a mechanism for coordinating resources and
24 groups to focus on long-term planning;

25 (9) Solicit input from the Legislature, state agencies,
26 the Governor, postsecondary educational institutions, the private
27 sector, local government, and the public;

1 (10) Ensure that if institutions, divisions, departments,
2 or agencies of state government have responsibilities in an area of
3 policy under study, they are encouraged to comment on the potential
4 effects of government policies on critical trends and alternative
5 futures;

6 (11) Consider the comments of the institutions,
7 divisions, departments, and agencies in performing its duties under
8 sections 50-301 to 50-309 and section 5 of this act; and

9 (12) Include the official comments of the departments and
10 agencies in any report provided to the Governor and the
11 Legislature; and

12 (13) Conduct the tax system study under section 5 of this
13 act.

14 Sec. 5. (1) The Nebraska Futures Center with the
15 direction of the Nebraska Futures Center Board shall:

16 (a) Analyze the state's current tax system in terms of
17 revenue productivity and stability, efficiency, equity, simplicity
18 of administration, and effect upon the state's economy;

19 (b) Propose innovative solutions for meeting the state's
20 projected revenue needs while exploring possibilities for reducing
21 general rates;

22 (c) Identify economic activities that are either
23 beneficial or detrimental to the state's economy and that should be
24 either encouraged or discouraged through tax policy;

25 (d) Recommend changes in the state's current tax policies

- 26 and laws; and
 27 (e) Establish criteria and a conceptual framework for
 1 evaluating current and future taxes.
 2 (2) The following characteristics of a good revenue
 3 system shall be considered by the center in carrying out the study:
 4 (a) The tax system must be fair in apportioning tax
 5 burdens and consistent in its application;
 6 (b) The tax system must be easy for taxpayers to
 7 understand;
 8 (c) The tax rates and tax structure must be perceived by
 9 businesses and individual taxpayers as a reasonable cost of
 10 locating in the state;
 11 (d) The revenue system should have as its primary purpose
 12 raising revenue from the state's overall wealth base to support
 13 required basic services;
 14 (e) Government must have the ability to administer and
 15 enforce all parts of the recommended revenue system; and
 16 (f) The revenue system must be viewed in conjunction with
 17 the federal revenue system.
 18 (3) The center shall make a report to the Legislature and
 19 the Governor on or before December 31, 2002, and December 31, 2003.
 20 Sec. 6. Section 50-309, Revised Statutes Supplement,
 21 2001, is amended to read:
 22 50-309. Sections 50-301 to 50-309 and section 5 of this
 23 act terminate on July 1, 2006."
 24 2. On page 30, line 25, strike "section 49-801.01" and
 25 insert "sections 49-801.01, 50-304, 50-306, and 50-309".
 26 3. Renumber the remaining sections and correct internal
 27 references accordingly.

SELECT COMMITTEE REPORTS

Enrollment and Review

Correctly Engrossed

The following bill was correctly engrossed: LB 1021.

Enrollment and Review Change to LB 1021

The following changes, required to be reported for publication in the Journal, have been made:

ER9144

1. Original sections 85 and 86 and all amendments thereto have been struck and the following new sections inserted:

"Sec. 98. Section 71-6302, Reissue Revised Statutes of Nebraska, is amended to read:

71-6302. Except as otherwise provided in this section or section 71-6309, a business entity shall not engage in an asbestos project unless the business entity holds a license for that purpose. A business entity which (1) only

performs asbestos projects which are less than two hundred sixty linear feet or which are less than one hundred sixty square feet and linear feet in any combination or (2) uses its own employees for an asbestos project for the purpose of renovating, maintaining, or repairing its own facilities shall not be required to hold a license. Business entities not required to hold a license shall provide a training course to inform the employees of the health and safety aspects of the asbestos project, including the applicable state standards. The training course shall meet the standards for such course as prescribed in ~~sections~~ section 71-6310.01 and ~~71-6310.02~~ and the rules and regulations adopted and promulgated pursuant to such ~~sections~~ section. The training course shall be available for review and approval upon inspection by the department.

Sec. 110. Original sections 46-1222, 46-1225, 46-1235.02, 71-149, 71-161.05, 71-1,155, 71-1,162, 71-1,193, 71-1,195.01, 71-1,206.31, 71-1,228, 71-1,280, 71-1,292, 71-1,294, 71-1,315, 71-1,321, 71-1,326, 71-1,330, 71-397, 71-3,107, 71-3,108, 71-3,112, 71-3,115, 71-3,117, 71-1326, 71-1354, 71-1757, 71-1779, 71-1782, 71-1788, 71-3503, 71-3508.03, 71-3517, 71-3709, 71-4301, 71-4302, 71-4305, 71-4702.01, 71-4711, 71-4716, 71-6302, 71-6303, 71-6310.02, 81-649, 81-666, and 81-673, Reissue Revised Statutes of Nebraska, sections 71-131, 71-139, 71-161.09, 71-174.01, 71-175.01, 71-179.01, 71-185, 71-1,107.25, 71-1,132.11, 71-1,132.20, 71-1,144.01, 71-1,165, 71-1,234, 71-341, 71-377, 71-382, 71-3,179, 71-3,196, 71-3,197, 71-3,198, 71-3,202, 71-3,205, 71-3,206, 71-1718.02, 71-1722, 71-1724 to 71-1724.02, 71-1730, 71-1735, 71-1755, 71-3507, 71-3515.01, 71-3515.02, 71-3710, 71-5179, 71-5206.01, 71-6053, 71-6054, 71-6060, 71-6067, 71-6327, 71-6725, and 71-6734, Revised Statutes Supplement, 2000, and sections 71-101, 71-110 to 71-112, 71-161.10, 71-1,136.01, 71-2802, 71-2815, 71-2823, 71-3519, 71-5178, 71-5308, 71-6103, 71-6113, 71-6115, 71-6321, and 81-6,105, Revised Statutes Supplement, 2001, are repealed.

Sec. 111. The following sections are outright repealed: Sections 71-1,144.03, 71-3,109 to 71-3,111, 71-3,113, 71-3,114, 71-3,116, 71-3,118, 71-1347, and 71-1349 to 71-1353, Reissue Revised Statutes of Nebraska, sections 71-1,144.04, 71-3,199 to 71-3,201, 71-3,203, 71-3,204, and 71-3,207, Revised Statutes Supplement, 2000, and section 71-1,144.05, Revised Statutes Supplement, 2001."

2. In the Jensen amendment, AM3055:

a. On page 8, line 22, an underscored comma has been inserted after "condition"; in line 23 "or registration" has been inserted after "license"; in line 24 the first "a" has been struck and "an" inserted; in line 26 "of" has been struck and "by" inserted, "a" has been inserted after the first comma, and "an" has been inserted after the second comma; and in line 27 "a" has been inserted before "contractor";

b. On page 9, line 1, "or registrant" has been struck and "a registrant," inserted;

c. On page 10, lines 25 and 27, "to" has been struck and "of" inserted; and

d. On page 11, line 8, "regulation" has been struck and "rule, regulation," inserted; and in line 10 "or registrant" has been struck and "a registrant, an

applicant" inserted.

3. On page 1, lines 2 through 16 and all amendments thereto have been struck and "46-1222, 46-1225, 46-1235.02, 71-149, 71-161.05, 71-1,155, 71-1,162, 71-1,193, 71-1,195.01, 71-1,206.31, 71-1,228, 71-1,280, 71-1,292, 71-1,294, 71-1,315, 71-1,321, 71-1,326, 71-1,330, 71-397, 71-3,107, 71-3,108, 71-3,112, 71-3,115, 71-3,117, 71-1326, 71-1354, 71-1757, 71-1779, 71-1782, 71-1788, 71-3503, 71-3508.03, 71-3517, 71-3709, 71-4301, 71-4302, 71-4305, 71-4702.01, 71-4711, 71-4716, 71-6302, 71-6303, 71-6310.02, 81-649, 81-666, and 81-673, Reissue Revised Statutes of Nebraska, sections 71-131, 71-139, 71-161.09, 71-174.01, 71-175.01, 71-179.01, 71-185, 71-1,107.25, 71-1,132.11, 71-1,132.20, 71-1,144.01, 71-1,165, 71-1,234, 71-341, 71-377, 71-382, 71-3,179, 71-3,196, 71-3,197, 71-3,198, 71-3,202, 71-3,205, 71-3,206, 71-1718.02, 71-1722, 71-1724 to 71-1724.02, 71-1730, 71-1735, 71-1755, 71-3507, 71-3515.01, 71-3515.02, 71-3710, 71-5179, 71-5206.01, 71-6053, 71-6054, 71-6060, 71-6067, 71-6327, 71-6725, and 71-6734, Revised Statutes Supplement, 2000, and sections 71-101, 71-110 to 71-112, 71-161.10, 71-1,136.01, 71-2802, 71-2815, 71-2823, 71-3519, 71-5178, 71-5308, 71-6103, 71-6113, 71-6115, 71-6321, and 81-6,105, Revised Statutes Supplement, 2001; to provide and change continuing education provisions for certain professions and occupations; to change provisions relating to licensure, registration, enforcement, fees, and administrative costs under the Radiation Control Act; to provide and change penalties; to change provisions relating to regulation of swimming pools, medication aides, and medical registries; to harmonize provisions; to provide an operative date; to repeal the original sections; and to outright repeal sections 71-1,144.03, 71-3,109 to 71-3,111, 71-3,113, 71-3,114, 71-3,116, 71-3,118, 71-1347, and 71-1349 to 71-1353, Reissue Revised Statutes of Nebraska, sections 71-1,144.04, 71-3,199 to 71-3,201, 71-3,203, 71-3,204, and 71-3,207, Revised Statutes Supplement, 2000, and section 71-1,144.05, Revised Statutes Supplement, 2001." inserted.

4. On page 2, lines 1 to 12 and all amendments thereto have been struck.

5. Sections have been renumbered and internal references corrected to reflect all adopted amendments.

(Signed) Philip Erdman, Chairperson

MOTION - Print in Journal

Senator Kristensen filed the following motion to LB 898:

That LB 898 becomes law notwithstanding the objections of the Governor.

UNANIMOUS CONSENT - Members Excused

Senators Aguilar, Brashear, Coordsen, Dw. Pedersen, and Quandahl asked unanimous consent to be excused until they return. No objections. So ordered.

SELECT FILE

LEGISLATIVE BILL 1211. Senator Wickersham renewed his pending amendment, FA1066, found on page 1551.

Senator Landis moved the previous question. The question is, "Shall the debate now close?" The motion prevailed with 26 ayes, 0 nays, and 23 not voting.

Senator Wickersham moved for a call of the house. The motion prevailed with 25 ayes, 0 nays, and 24 not voting.

Senator Bromm requested a roll call vote on the Wickersham amendment.

Voting in the affirmative, 13:

Beutler	Hudkins	Raikes	Schrock	Wickersham
Chambers	Kristensen	Redfield	Suttle	
Hartnett	Price	Schimek	Vrtiska	

Voting in the negative, 30:

Aguilar	Burling	Erdman	Kruse	Smith
Baker	Byars	Foley	Landis	Stuhr
Bourne	Connealy	Janssen	Maxwell	Synowiecki
Bromm	Cunningham	Jensen	McDonald	Thompson
Brown	Dierks	Jones	Pederson, D.	Tyson
Bruning	Engel	Kremer	Robak	Wehrbein

Present and not voting, 2:

Cudaback	Preister
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Excused and not voting, 4:

Brashear	Coordsen	Pedersen, Dw. Quandahl
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The Wickersham amendment lost with 13 ayes, 30 nays, 2 present and not voting, and 4 excused and not voting.

The Chair declared the call raised.

Senator Beutler withdrew his pending amendment, AM3468, found on page 1555.

Senator Beutler offered the following amendment:

AM3667

- 1 1. Strike the Beutler amendment, AM3469.
- 2 2. In the Bromm amendment, AM3060:
- 3 a. On page 2, line 8, strike "but the fee shall not
- 4 exceed fifty dollars" and insert "in an amount sufficient to cover

5 the costs of administering the registration process but not to
 6 exceed fifty dollars"; and strike beginning with the period in line
 7 11 through "period" in line 13; and
 8 b. On page 9, line 2, after "fund" insert ". The
 9 commission shall be reimbursed from the fund for all costs related
 10 to drafting, implementing, and enforcing the regulations and any
 11 other services provided on behalf of customers pursuant to this
 12 subdivision"; in lines 15 through 18, strike the new matter and
 13 insert ". The commission shall require, as reasonably necessary,
 14 an annual audit of any telecommunications company to be performed
 15 by a third-party certified public accountant to insure the billing,
 16 collection, and remittance of a surcharge for universal service.
 17 The costs of any audit required pursuant to this subdivision shall
 18 be paid by the telecommunications company being audited;
 19 (e) Shall require an audit of information provided by a
 20 telecommunications company to be performed by a third-party
 21 certified public accountant for purposes of calculating universal
 22 service fund payments to such telecommunications company. The
 23 costs of any audit required pursuant to this subdivision shall be
 24 paid by the telecommunications company being audited;"; and in line
 1 19 strike "(e)" and insert "(f)".

The Beutler amendment was adopted with 31 ayes, 0 nays, 14 present and not voting, and 4 excused and not voting.

Senator Wickersham offered the following amendment:

FA1079

Amend AM7180

On page 30, line 15 after "district" insert "upon an affirmative vote of a majority of those voting on the issue at a general, primary, or special election."

SENATOR DIERKS PRESIDING

Senator Wickersham withdrew his amendment.

Senator Robak asked unanimous consent to be excused until she returns. No objections. So ordered.

Senator Wickersham offered the following amendment:

AM3672

(Amendments to E & R amendments, AM7180)

1 1. On page 30, line 15, after "district" insert "."
 2 Before such tax can be levied, in excess of the limits provided in
 3 section 77-3442 the governing body shall submit the matter to the
 4 electors of such city, county, village, or fire protection district
 5 at a primary or general election or at a special election duly
 6 called for that purpose and the matter approved by a majority of
 7 the electors voting on it. Notice of the time and place of the

8 election shall be given by publication in some legal newspaper
9 printed and in general circulation in such city, county, village,
10 or fire protection district three successive weeks prior thereto".

SENATOR CUDABACK PRESIDING

Senator Landis moved the previous question. The question is, "Shall the debate now close?"

Senator Landis moved for a call of the house. The motion prevailed with 27 ayes, 0 nays, and 22 not voting.

The motion to cease debate prevailed with 26 ayes, 3 nays, and 20 not voting.

The Wickersham amendment lost with 13 ayes, 23 nays, 8 present and not voting, and 5 excused and not voting.

The Chair declared the call raised.

Advanced to E & R for engrossment.

LEGISLATIVE BILL 1278. E & R amendment, AM7223, printed separately and referred to on page 1511, was adopted.

Advanced to E & R for engrossment.

LEGISLATIVE BILL 876. E & R amendment, AM7222, found on page 1511, was adopted.

Advanced to E & R for engrossment.

LEGISLATIVE BILL 876A. Advanced to E & R for engrossment.

SELECT COMMITTEE REPORTS **Enrollment and Review**

LEGISLATIVE BILL 921. Placed on Select File as amended.
(E & R amendment, AM7229, may be found in the Bill Books. The amendment has been printed separately and is on file in the Bill Room - Room 1102.)

LEGISLATIVE BILL 994. Placed on Select File as amended.
(E & R amendment, AM7230, may be found in the Bill Books. The amendment has been printed separately and is on file in the Bill Room - Room 1102.)

LEGISLATIVE BILL 994A. Placed on Select File.

(Signed) Philip Erdman, Chairperson

MOTIONS - Print in Journal

Senator Wickersham filed the following motion to LB 1085:

That LB 1085 becomes law notwithstanding the objections of the Governor.

Senator Wickersham filed the following motion to LB 1085A:

That LB 1085A becomes law notwithstanding the objections of the Governor.

AMENDMENTS - Print in Journal

Senator Kristensen filed the following amendment to LB 1062:

AM3659

(Amendments to E & R amendments, AM7214)

- 1 1. Insert the following new section:
- 2 "Sec. 4. Section 43-3342.05, Revised Statutes
- 3 Supplement, 2000, is amended to read:
- 4 43-3342.05. (1) The State Disbursement and Child Support
- 5 Advisory Commission is created. Commission members shall include:
- 6 (a) ~~One~~ Two district court ~~judge~~ judges whose
- 7 jurisdiction includes domestic relations;
- 8 (b) ~~One representative of the Governor's office~~ member of
- 9 the Nebraska State Bar Association who practices primarily in the
- 10 area of domestic relations;
- 11 (c) One county attorney who works in child support;
- 12 (d) One professional who works in the field of economics
- 13 or mathematics or another field of expertise relevant to child
- 14 support; One district court clerk;
- 15 ~~(e) One child support worker;~~
- 16 ~~(f) One member~~ (e) Two members of the Legislature;
- 17 ~~(g) One employer, with more than seventy five employees,~~
- 18 ~~who provides income withholding;~~
- 19 ~~(h) One employer, with less than twenty five employees,~~
- 20 ~~who provides income withholding;~~
- 21 ~~(i) (f) One custodial parent who has a court order to~~
- 22 ~~receive child support;~~
- 23 ~~(j) (g) One noncustodial parent who is under a support~~
- 1 order to pay child support;
- 2 ~~(k) (h) The vendor operating the State Disbursement Unit~~
- 3 ~~or his or her designee as an ex officio member;~~
- 4 (i) The State Court Administrator or his or her designee
- 5 as an ex officio member; and
- 6 ~~(h) (j) The director of the Title IV-D Division or his or~~
- 7 ~~her designee as an ex officio member.~~
- 8 (2)(a) The terms of all members on the State Disbursement
- 9 Advisory Commission, as established by Legislative Bill 972 (2000),
- 10 shall terminate on June 30, 2002. The Executive Board of the

11 Legislative Council shall appoint the members of the ~~commission~~
12 State Disbursement and Child Support Advisory Commission under
13 subdivisions (1)(a) through ~~(1)(j)~~ (1)(g) of this section. ~~The~~
14 ~~initial members of the commission shall be appointed no later than~~
15 ~~June 1, 2000.~~ Members shall serve terms of two years, except that
16 the initial terms of members appointed for terms commencing on July
17 1, 2002, under subdivisions (1)(f) through ~~(1)(j)~~ (1)(g) of this
18 section shall be one year to provide for staggered terms for
19 commission members. In the case of a vacancy, a successor shall be
20 appointed for the unexpired term by the Executive Board of the
21 Legislative Council. Members whose terms have expired shall
22 continue to serve until their successors have been appointed. The
23 commission shall select a chairperson, annually, from its
24 membership. A chairperson may serve more than one year. Members
25 shall serve without compensation but shall be reimbursed for their
26 actual and necessary expenses incurred in the performance of their
27 duties as provided in sections 81-1174 to 81-1177.

1 (b) If determined to be necessary to perform the duties
2 of the commission, the commission may hire, contract, or otherwise
3 obtain the services of consultants, researchers, aides, and other
4 necessary support staff with prior approval of the chairperson of
5 the Executive Board of the Legislative Council.

6 (c) For administrative purposes, the commission shall be
7 managed and administered by the Legislative Council.

8 (3) The commission shall meet at least quarterly. The
9 duties of the commission shall include, but are not limited to:

10 (a) Recommending to the department, if appropriate, ways
11 to improve or enhance the effectiveness of the State Disbursement
12 Unit and the Customer Service Unit;

13 (b) Recommending performance indicators for the State
14 Disbursement Unit and the Customer Service Unit;

15 (c) Recommending legislation which would clarify and
16 improve state law regarding support for children as it relates to
17 the State Disbursement Unit; ~~and~~

18 (d) Addressing any child support issues generally as such
19 issues effect the State of Nebraska and its citizens;

20 (e) Reviewing the child support guidelines adopted by the
21 Supreme Court and recommending, if appropriate, any amendments to
22 the guidelines. Whenever practicable, the commission shall base
23 its recommendations on economic data and statistics collected in
24 the State of Nebraska. In reviewing the guidelines and formulating
25 recommendations, the commission may conduct public hearings around
26 the state;

27 (f) Monitoring federal legislation and making
1 recommendations for changing state law as needed; and

2 (g) Presenting an annual report reports, as deemed
3 necessary, of its activities and recommendations to the Supreme
4 Court and the Executive Board of the Legislative Council, by
5 January 1 of each year.

- 6 (4) The Supreme Court shall review the commission's
7 reports. The Supreme Court may amend the child support guidelines
8 established pursuant to section 42-364.16 based upon the
9 commission's recommendations.
- 10 Sec. 66. The following sections are outright repealed:
11 Sections 42-383 to 42-386, Revised Statutes Supplement, 2000."
12 2. Strike beginning with page 5, line 23, through page
13 6, line 2, show as stricken, and insert
14 "(2) The unit may collect a fee equal to the actual cost
15 of processing. After a payor has originated two payments made with
16 insufficient funds within a period of one year, the unit shall
17 issue a notice to the originator that, for the following year, any
18 payment shall be required to be paid by cash, guaranteed funds, or
19 wire funds transfer. After a payor has originated three payments
20 made with insufficient funds, the unit shall issue a notice to the
21 originator that all future payments shall be paid by cash,
22 guaranteed funds, or wire funds transfer, except that pursuant to
23 rule and regulation and at least two years after such issuance of
24 notice, the unit may waive for good cause shown such requirements
25 for methods of payment."
- 26 3. Renumber the remaining sections and correct internal
27 references accordingly and correct the operative date section and
1 the repealer so that the sections added by this amendment become
2 operative on their effective date with the emergency clause.

Senators Connealy and Synowiecki filed the following amendment to
LB 426:
AM3666

(Amendments to E & R amendments, AM7227)

- 1 1. Strike the original sections and inset the following
2 new sections:
3 "Section 1. Sections 1 to 8 of this act shall be known
4 and may be cited as the Peace Officer Employer-Employee Relations
5 Act.
6 Sec. 2. (1) The Legislature finds and declares that
7 effective law enforcement is dependent upon the maintenance of
8 stable relations between peace officers and their employers.
9 Moreover, the existence of stable relations between peace officers
10 and their employers will enhance law enforcement services provided
11 to the citizens of Nebraska.
12 (2) The purpose of the Peace Officer Employer-Employee
13 Relations Act is to prescribe certain rights for peace officers,
14 particularly when they are placed under investigation by their
15 employer.
16 (3) The act only applies to administrative actions and
17 does not apply to criminal investigations of a peace officer.
18 Sec. 3. For purposes of the Peace Officer
19 Employer-Employee Relations Act, peace officer means any officer of
20 a political subdivision authorized by law to make arrests.

21 Sec. 4. When any peace officer is under investigation by
22 his or her employer for alleged actions that could result in
23 administrative sanctions being levied against the peace officer,
1 the following requirements shall be adhered to:
2 (1) Any interrogation of the peace officer shall be
3 conducted when the peace officer is on duty or during his or her
4 normal waking hours unless the urgency of the investigation
5 requires otherwise;
6 (2) Prior to commencement of any interrogation session:
7 (a) The peace officer shall be informed of the name and
8 rank of the person in charge of the interrogation and all other
9 persons who will be present during the interrogation;
10 (b) The peace officer shall be informed of the nature of
11 the investigation, and the names of all known complainants shall be
12 disclosed to the peace officer unless the chief administrator of
13 the peace officer's employer determines that the identification of
14 the complainant should not be disclosed because it is necessary for
15 the protection of an informant or because disclosure would
16 jeopardize or compromise the integrity or security of the
17 investigation; and
18 (c) A reasonable attempt shall be made to notify the
19 peace officer's commanding officer of the pending interrogation;
20 (3) A peace officer shall be informed of the nature of
21 the investigation and shall receive a copy of the written formal
22 complaint against him or her at least twenty-four hours prior to
23 his or her interrogation by the employer. The twenty-four-hour
24 period may be waived if the complaint alleges intoxication or drug
25 incapacitation during on-duty status. The peace officer shall be
26 permitted to have either his or her choice of an attorney or other
27 representation present during the interrogation. The peace officer
1 being interrogated shall be made aware of the fact that any
2 statement may be used by the employer as part of the investigation.
3 The employer shall tape record the entire interrogation, and the
4 peace officer shall be made aware that a recording is being made.
5 The only tape recording of the interrogation allowed shall be by
6 the employer. The combined duration of a peace officer's work
7 shift and any interrogation session shall not exceed fourteen hours
8 within a twenty-four-hour period unless the urgency of the
9 investigation requires otherwise;
10 (4) There shall not be more than two interrogators at any
11 given time;
12 (5) A peace officer shall be allowed time to attend to
13 physical necessities as they occur in the course of an
14 interrogation;
15 (6) The complete interrogation shall be published as a
16 transcript, and any recesses called during the interrogation shall
17 be noted in the transcript; and
18 (7) An accurate copy of the recorded interrogation or the
19 transcript shall be provided to the peace officer upon his or her

20 written request after the investigation is complete and no later
21 than five days before a scheduled hearing.
22 Sec. 5. When any peace officer is under investigation
23 for an administrative matter, the peace officer shall be permitted
24 to produce any relevant documents, witnesses, or other evidence to
25 support his or her case and he or she may cross-examine any adverse
26 witnesses during any grievance process or appeal involving
27 disciplinary action.

1 Sec. 6. (1) No document containing comments adverse to a
2 peace officer shall be entered into his or her personnel file
3 unless the peace officer has read and signed the document. When a
4 peace officer refuses to sign a document containing such adverse
5 comments, the document may be entered into the peace officer's
6 personnel file if:

7 (a) The peace officer's refusal to sign the document is
8 noted on the document by the chief administrator of the peace
9 officer's employer; and

10 (b) The notation is witnessed by a third party.

11 (2) A peace officer may file a written response to any
12 document containing adverse comments entered into his or her
13 personnel file, and the response shall be filed with the peace
14 officer's employer within thirty days after the document is entered
15 into the personnel file. A peace officer's written response shall
16 be attached to the document.

17 Sec. 7. A peace officer shall not be subjected to any
18 retaliation by his or her employer due to his or her lawful
19 exercise of his or her rights under the Peace Officer
20 Employer-Employee Relations Act.

21 Sec. 8. If an employer violates any part of the Peace
22 Officer Employer-Employee Relations Act, the peace officer shall
23 have the right to petition the district court for monetary damages,
24 attorney's fees, costs of the action, and equitable relief."

Senators Landis, Tyson, Kremer, Aguilar, Quandahl, Jensen, Bruning, and
Smith filed the following amendment to LB 1139:
AM3668

(Amendments to Final Reading copy)

1 1. Insert the following new sections:
2 "Sec. 20. Section 44-1984, Reissue Revised Statutes of
3 Nebraska, is amended to read:
4 44-1984. (1) No insurer that transacts any line of
5 business other than title insurance shall be eligible for the
6 issuance or renewal of a certificate of authority to transact the
7 business of title insurance in this state nor shall title insurance
8 be transacted, underwritten, or issued by any insurer transacting
9 or authorized to transact any other line of business.
10 (2)(a) Notwithstanding subsection (1) of this section,
11 ~~and to the extent such coverage is lawful within this state, a~~
12 ~~title insurer is expressly authorized to~~ a title insurer shall

13 issue closing or settlement protection ~~to covering~~ a proposed
14 insured ~~upon request~~ if the title insurer issues a title insurance
15 commitment or title insurance policy. Such closing or settlement
16 protection shall conform to the terms of coverage and form of
17 instrument as required by the director and ~~may~~ shall indemnify a
18 proposed insured solely against loss of settlement funds only
19 because of the following acts of a title insurer's named title
20 insurance agent:

- 21 (i) Theft of settlement funds; and
- 22 (ii) Failure to comply with written closing instructions

23 by the proposed insured when agreed to by the title insurance agent
1 relating to title insurance coverage.

- 2 (b) The director may prescribe or approve a required
3 charge for providing the coverage.
- 4 (c) A title insurer shall not provide any other coverage
5 which purports to indemnify against improper acts or omissions of a
6 person with regard to escrow, settlement, or closing services.

7 Sec. 21. Section 44-19,116, Revised Statutes Supplement,
8 2000, is amended to read:

9 44-19,116. (1)(a) A title insurance agent may operate as
10 an escrow, security, settlement, or closing agent subject to the
11 requirements of subdivisions (b) through (e) of this subsection.

12 (b) All funds deposited with the title insurance agent in
13 connection with an escrow, settlement, closing, or security deposit
14 shall be submitted for collection to or deposited in a separate
15 fiduciary trust account or accounts in a qualified financial
16 institution no later than the close of the next business day in
17 accordance with the following requirements:

- 18 (i) The funds shall be the property of the person or
19 persons entitled to them under the provisions of the escrow,
20 settlement, security deposit, or closing agreement and shall be
21 segregated for each depository by escrow, settlement, security
22 deposit, or closing in the records of the title insurance agent in
23 a manner that permits the funds to be identified on an individual
24 basis; and
- 25 (ii) The funds shall be applied only in accordance with
26 the terms of the individual instructions or agreements under which
27 the funds were accepted.

- 1 (c) Funds held in an escrow account shall be disbursed
2 only pursuant to a written instruction or agreement specifying how
3 and to whom such funds may be disbursed.
- 4 (d) Funds held in a security deposit account shall be
5 disbursed only pursuant to a written agreement specifying:

- 6 (i) What actions the indemnitor shall take to satisfy his
7 or her obligation under the agreement;
- 8 (ii) The duties of the title insurance agent with respect
9 to disposition of the funds held, including a requirement to
10 maintain evidence of the disposition of the title exception before
11 any balance may be paid over to the depositing party or his or her

12 designee; and

13 (iii) Any other provisions the director may require.

14 (e)(i) Disbursements may be made out of an escrow,
15 settlement, or closing account only if funds in an amount at least
16 equal to the disbursement have first been received and if the funds
17 received are in one of the following forms:

18 (A) Lawful money of the United States;

19 (B) Wired funds when unconditionally held by the title
20 insurance agent;

21 (C) Cashier's checks, certified checks, bank money
22 orders, or teller's checks issued by a federally insured financial
23 institution and unconditionally held by the title insurance agent;
24 and

25 (D) United States treasury checks, federal reserve bank
26 checks, federal home loan bank checks, and State of Nebraska
27 warrants.

1 (ii) For purposes of this subdivision, federally insured
2 financial institution means an institution in which monetary
3 deposits are insured by the Federal Deposit Insurance Corporation
4 or National Credit Union Administration.

5 (2) On and after January 1, 2004, every ~~The~~ title
6 insurance agent shall have an annual audit made of its escrow,
7 settlement, closing, and security deposit accounts, conducted by a
8 certified public accountant on a calendar year basis at its expense
9 within ninety days after the close of the previous calendar year.
10 The title insurance agent shall provide a copy of the audit report
11 to each title insurer which it represents. The director may adopt
12 and promulgate rules and regulations setting forth the minimum
13 threshold level at which an audit would be required, the standards
14 of audit, and the form of audit report required. ~~In lieu of such~~
15 ~~annual audit, a title insurance agent may provide a notarized~~
16 ~~certificate of reconciliation and availability of the title~~
17 ~~insurance agent's escrow accounts to each title insurer which it~~
18 ~~represents within ninety days after the close of the previous~~
19 ~~calendar year on a form prescribed or approved by the director.~~
20 The director may also require a title insurance agent to provide a
21 copy of its audit report ~~or certificate of reconciliation and~~
22 ~~availability~~ to the director. Title insurance agents who are
23 attorneys and who issue title insurance policies as part of their
24 legal representation of clients are exempt from the requirements of
25 this subsection. However, the title insurer may, at its expense,
26 conduct or cause to be conducted an annual audit of the escrow,
27 settlement, closing, and security deposit accounts of the attorney.

1 Attorneys who are exclusively in the business of title insurance
2 are not exempt from the requirements of this subsection.

3 (3) If the title insurance agent is appointed by two or
4 more title insurers and maintains fiduciary trust accounts in
5 connection with providing escrow, closing, or settlement services,
6 the title insurance agent shall allow each title insurer reasonable

- 7 access to the accounts and any or all of the supporting account
8 information in order to ascertain the safety and security of the
9 funds held by the title insurance agent.
- 10 (4) Nothing in the Title Insurance Agent Act shall be
11 deemed to prohibit the recording of documents prior to the time
12 funds are available for disbursement with respect to a transaction
13 if all parties consent to the transaction in writing.
- 14 (5) Nothing in this section is intended to amend, alter,
15 or supersede other sections of the act or the laws of this state or
16 the United States regarding an escrow holder's duties and
17 obligations.
- 18 (6) The director may prescribe a standard agreement for
19 escrow, settlement, closing, or security deposit funds.
- 20 Sec. 55. Sections 20 and 56 of this act become operative
21 on January 1, 2003. The other sections of this act become
22 operative on their effective date.
- 23 Sec. 56. Original section 44-1984, Reissue Revised
24 Statutes of Nebraska, is repealed."
- 25 2. On page 1, line 1, after the comma insert "44-1984,";
26 in line 5 after the second comma insert "44-19,116,"; in line 11
27 after the first comma insert "title insurers,"; and in line 16
1 after the semicolon insert "to provide operative dates;".
- 2 3. On page 91, line 24, after the second comma insert
3 "44-19,116,".
- 4 4. Renumber the remaining sections and correct internal
5 references accordingly.

Senator Beutler filed the following amendment to LB 1185:
AM3612

(Amendments to AM3566)

- 1 1. Insert the following sections:
- 2 "Sec. 2. (1) The employees of employers who are exempt
3 from the Nebraska Workers' Compensation Act under subdivision
4 (2)(d) of section 48-106 may be compensated for injury, death, or
5 occupational disease which is covered under the act by filing a
6 claim under the act. If compensation is ordered, it shall be paid
7 from the Workers' Compensation Agricultural Employees Fund. The
8 Nebraska Workers' Compensation Court shall adopt and promulgate
9 rules and regulations to carry out this section.
- 10 (2) The Workers' Compensation Agricultural Employees Fund
11 is created. The fund consists of revenue received pursuant to
12 section 77-2702.07. Any money in the fund available for investment
13 shall be invested by the state investment officer pursuant to the
14 Nebraska Capital Expansion Act and the Nebraska State Funds
15 Investment Act.
- 16 Sec. 3. Section 48-1,110, Reissue Revised Statutes of
17 Nebraska, is amended to read:
- 18 48-1,110. (1) Sections 48-101 to 48-1,117 and section 2
19 of this act shall be known and may be cited as the Nebraska

20 Workers' Compensation Act.

21 (2) It is the intent of the Legislature that the changes
22 made in Laws 1986, LB 811, shall not affect or alter any rights,
23 privileges, or obligations existing immediately prior to July 17,
1 1986.

2 Sec. 4. Section 77-2702.07, Revised Statutes Supplement,
3 2000, is amended to read:

4 77-2702.07. (1) Gross receipts shall mean the total
5 amount of the sale or lease or rental price, as the case may be, of
6 the retail sales of retailers valued in money whether received in
7 money or otherwise, without any deduction on account of any of the
8 following:

9 (a) The cost of property sold. In accordance with rules
10 and regulations adopted and promulgated by the Tax Commissioner, a
11 deduction may be taken if the retailer has purchased property for
12 some purpose other than resale, has reimbursed his or her vendor
13 for tax which the vendor is required to pay to the state or has
14 paid the use tax with respect to the property, and has resold the
15 property prior to making any use of the property other than
16 retention, demonstration, or display while holding it for sale in
17 the regular course of business. If such a deduction is taken by
18 the retailer, no refund or credit will be allowed to his or her
19 vendor with respect to the sale of the property;

20 (b) The cost of the materials used, labor or service
21 costs, interest paid, losses, or any other expense;

22 (c) The cost of transportation of the property;

23 (d) The amount of any excise or property tax levied
24 against the property except as otherwise provided in the Nebraska
25 Revenue Act of 1967; or

26 (e) The amount charged for warranties, guarantees, or
27 maintenance agreements.

1 (2) Gross receipts of every person engaged as a public
2 utility specified in this subsection or as a community antenna
3 television service operator or any person involved in connecting
4 and installing services defined in subdivision (2)(a), (b), or (d)
5 of this section shall mean:

6 (a) In the furnishing of telephone communication service,
7 the gross income received from furnishing local exchange telephone
8 service and intrastate message toll telephone service. Gross
9 receipts shall not mean (i) the gross income, including division of
10 revenue, settlements, or carrier access charges received on or
11 after January 1, 1984, from the sale of a telephone communication
12 service to a communication service provider for purposes of
13 furnishing telephone communication service or (ii) the gross income
14 attributable to services rendered using a prepaid telephone calling
15 arrangement. For purposes of this subdivision, a prepaid telephone
16 calling arrangement shall mean the right to exclusively purchase
17 telecommunications services that are paid for in advance that
18 enables the origination of calls using an access number or

19 authorization code, whether manually or electronically dialed;

20 (b) In the furnishing of telegraph service, the gross

21 income received from the furnishing of intrastate telegraph
22 services;

23 (c) In the furnishing of gas, electricity, sewer, and

24 water service except water used for irrigation of agricultural

25 lands and manufacturing purposes, the gross income received from

26 the furnishing of such services upon billings or statements

27 rendered to consumers for such utility services; and

1 (d) In the furnishing of community antenna television

2 service, the gross income received from the furnishing of such

3 community antenna television service as regulated under sections

4 18-2201 to 18-2205 or 23-383 to 23-388.

5 Gross receipts shall also mean gross income received from

6 the provision, installation, construction, servicing, or removal of

7 property used in conjunction with the furnishing, installing, or

8 connecting of any public utility services specified in subdivision

9 (2)(a) or (b) of this section or community antenna television

10 service specified in subdivision (2)(d) of this section. Gross

11 receipts shall not mean gross income received from telephone

12 directory advertising.

13 (3) Gross receipts of every person engaged in selling,

14 leasing, or otherwise providing intellectual or entertainment

15 property shall mean:

16 (a) In the furnishing of computer software, the gross

17 income received, including the charges for coding, punching, or

18 otherwise producing computer software and the charges for the

19 tapes, disks, punched cards, or other properties furnished by the

20 seller. Gross receipts shall not mean the amount charged for

21 training customers in the use of computer software if such amount

22 is separately stated and such separate statement is not used as a

23 means of avoiding imposition of the tax upon the actual sales price

24 of the computer software; and

25 (b) In the furnishing of videotapes, movie film,

26 satellite programming, satellite programming service, and satellite

27 television signal descrambling or decoding devices, the gross

1 income received from the license, franchise, or other method

2 establishing the charge except the gross income received from

3 videotape and film rentals, satellite programming, and satellite

4 programming service when the sales tax or the admission tax is

5 charged under the Nebraska Revenue Act of 1967 and except as

6 provided in section 77-2704.39.

7 (4) Gross receipts shall mean, except as provided in

8 section 9-811, the gross receipts of lottery tickets purchased

9 pursuant to the State Lottery Act. Proceeds of the tax under this

10 subdivision shall be remitted to the State Treasurer for credit to

11 the Workers' Compensation Agricultural Employees Fund;

12 (5) Gross receipts shall not include any of the

13 following:

- 14 (a) Cash discounts allowed and taken on sales;
15 (b)(i) Before January 1, 1997, the amount of any rebate
16 granted by a motor vehicle manufacturer or dealer at the time of
17 sale of the motor vehicle, which rebate functions as a discount
18 from the sales price of the motor vehicle; and
19 (ii) On and after January 1, 1997, the amount of any
20 rebate granted by a motor vehicle or motorboat manufacturer or
21 dealer at the time of sale of the motor vehicle or motorboat, which
22 rebate functions as a discount from the sales price of the motor
23 vehicle or motorboat;
24 (c) Sales price of property returned by customers when
25 the full sales price is refunded either in cash or credit;
26 (d) The amount charged for finance charges, carrying
27 charges, service charges, or interest from credit extended on sales
1 of property under contracts providing for deferred payments of the
2 purchase price if such charges are not used as a means of avoiding
3 imposition of the tax upon the actual sales price of the property;
4 (e) The value of property taken by a seller in trade as
5 all or a part of the consideration for a sale of property of any
6 kind or nature;
7 (f)(i) Before January 1, 1997, the value of a motor
8 vehicle taken by any person in trade as all or a part of the
9 consideration for a sale of another motor vehicle; and
10 (ii) On and after January 1, 1997, the value of a motor
11 vehicle or motorboat taken by any person in trade as all or a part
12 of the consideration for a sale of another motor vehicle or
13 motorboat;
14 (g) Receipts from conditional sale contracts, installment
15 sale contracts, rentals, and leases executed in writing prior to
16 June 1, 1967, and with delivery of the property prior to June 1,
17 1967, if such conditional sale contracts, installment sale
18 contracts, rentals, or leases are for a fixed price and are not
19 subject to negotiation or alteration; or
20 (h) Except as provided in subsection (2) of this section,
21 the amount charged for labor or services rendered in installing or
22 applying the property sold if such amount is separately stated and
23 such separate statement is not used as a means of avoiding
24 imposition of the tax upon the actual sales price of the property.
25 Sec. 5. This act becomes operative on October 1, 2002.
26 Sec. 7. The following section is outright repealed:
27 Section 77-2704.38, Reissue Revised Statutes of Nebraska."
1 2. Correct the repealer and renumber the remaining
2 section accordingly.

Senator Wickersham filed the following amendment to LB 989:
AM3671

(Amendments to AM3653)

- 1 1. On page 5, strike line 5 and insert "burdens among
2 taxpayers in differing circumstances and consistent in its

3 application among taxpayers in similar circumstances:".

Senator Aguilar filed the following amendment to LB 1115:
AM3673

(Amendments to E & R amendments, AM7224)

- 1 1. Strike sections 5 and 6.
- 2 2. Strike amendment 2.
- 3 3. Remove underscoring from sections 1 to 4.

RESOLUTION

LEGISLATIVE RESOLUTION 460. Introduced by Landis, 46.

WHEREAS, Janet L. Edwards served on the Tax Equalization and Review Commission for six years, representing the Third Congressional District; and

WHEREAS, prior to her service on the commission, Janet, a Nebraska Licensed Certified General Appraiser, was a Tax Law Conferee for the Nebraska Department of Revenue for nine years, working on property tax issues; and

WHEREAS, Janet was elected Howard County Assessor in 1974, serving in that capacity for twelve years, was named County Official of the Year by the Nebraska Association of County Officials in 1986, and also served on the NACO Board of Directors; and

WHEREAS, Janet has also been a deaconess in Grace Baptist Church in St. Paul, Nebraska, for many years and in May 2000 was elected to the Board of Trustees for the Good News Broadcasting Association, Inc.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NINETY-SEVENTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Legislature extends its thanks to Janet L. Edwards for twenty-eight years of community service and its best wishes to her as she pursues her interests in golf and gardening and spends time with her seven grandchildren from her home in St. Paul, Nebraska.

2. That the Clerk of the Legislature send a copy of this resolution to Janet L. Edwards.

Laid over.

SELECT FILE

LEGISLATIVE BILL 488. E & R amendment, AM7228, found on page 1515, was adopted.

Advanced to E & R for engrossment.

LEGISLATIVE BILL 488A. Advanced to E & R for engrossment.

LEGISLATIVE BILL 1033. E & R amendment, AM7221, found on page 1516, was adopted.

Advanced to E & R for engrossment.

LEGISLATIVE BILL 1033A. Advanced to E & R for engrossment.

WITHDRAW - Cointroducers

Senators Price, Tyson, Kremer, Quandahl, Foley, Smith, Suttle, Baker, Jones, Bruning, Dierks, Cunningham, Aguilar, Burling, and Erdman withdrew their names as cointroducers to LB 277.

VISITORS

Visitors to the Chamber were 18 fourth-grade students and teachers from Woodland Park Elementary School, Norfolk; 65 fourth-grade students and teachers from Bryan Elementary School, Lexington; and 40 fifth- and sixth-grade students and teachers from District 60, Hastings.

ADJOURNMENT

At 5:26 p.m., on a motion by Speaker Kristensen, the Legislature adjourned until 9:00 a.m., Thursday, April 11, 2002.

Patrick J. O'Donnell
Clerk of the Legislature

